

House File 221 - Introduced

HOUSE FILE _____
BY SCHUELLER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act exempting the instructional support property tax levy of a
2 school district from being collected as part of the
3 incremental taxes paid to a municipality for an urban renewal
4 area and providing for the Act's applicability.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1956HH 83
7 md/sc/14

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1 1 Section 1. Section 403.19, subsection 2, Code 2009, is
1 2 amended to read as follows:
1 3 2. That portion of the taxes each year in excess of such
1 4 amount shall be allocated to and when collected be paid into a
1 5 special fund of the municipality to pay the principal of and
1 6 interest on loans, moneys advanced to, or indebtedness,
1 7 whether funded, refunded, assumed, or otherwise, including
1 8 bonds issued under the authority of section 403.9, subsection
1 9 1, incurred by the municipality to finance or refinance, in
1 10 whole or in part, an urban renewal project within the area,
1 11 and to provide assistance for low and moderate income family
1 12 housing as provided in section 403.22, except that taxes for
1 13 the instructional support program of a school district imposed
1 14 pursuant to section 257.19 and taxes for the regular and
1 15 voter-approved physical plant and equipment levy of a school
1 16 district imposed pursuant to section 298.2 and taxes for the
1 17 payment of bonds and interest of each taxing district must be
1 18 collected against all taxable property within the taxing
1 19 district without limitation by the provisions of this
1 20 subsection. However, all or a portion of the taxes for the
1 21 physical plant and equipment levy shall be paid by the school
1 22 district to the municipality if the auditor certifies to the
1 23 school district by July 1 the amount of such levy that is
1 24 necessary to pay the principal and interest on bonds issued by
1 25 the municipality to finance an urban renewal project, which
1 26 bonds were issued before July 1, 2001. Indebtedness incurred
1 27 to refund bonds issued prior to July 1, 2001, shall not be
1 28 included in the certification. Such school district shall pay
1 29 over the amount certified by November 1 and May 1 of the
1 30 fiscal year following certification to the school district.
1 31 Unless and until the total assessed valuation of the taxable
1 32 property in an urban renewal area exceeds the total assessed
1 33 value of the taxable property in such area as shown by the
1 34 last equalized assessment roll referred to in subsection 1,
1 35 all of the taxes levied and collected upon the taxable
2 1 property in the urban renewal area shall be paid into the
2 2 funds for the respective taxing districts as taxes by or for
2 3 the taxing districts in the same manner as all other property
2 4 taxes. When such loans, advances, indebtedness, and bonds, if
2 5 any, and interest thereon, have been paid, all moneys
2 6 thereafter received from taxes upon the taxable property in
2 7 such urban renewal area shall be paid into the funds for the
2 8 respective taxing districts in the same manner as taxes on all
2 9 other property. In those instances where a school district
2 10 has entered into an agreement pursuant to section 279.64 for
2 11 sharing of school district taxes levied and collected from
2 12 valuation described in this subsection and released to the
2 13 school district, the school district shall transfer the taxes
2 14 as provided in the agreement.
2 15 Sec. 2. APPLICABILITY. This Act applies to taxes due and
2 16 payable in fiscal years beginning on or after July 1, 2010.
2 17 EXPLANATION
2 18 This bill exempts the instructional support property tax

2 19 levy of a school district from being collected as part of the
2 20 incremental taxes paid to a municipality for an urban renewal
2 21 area.
2 22 The bill applies to taxes due and payable in fiscal years
2 23 beginning on or after July 1, 2010.
2 24 LSB 1956HH 83
2 25 md/sc/14